



Newtek Prices its 12th S&P-Rated Loan Securitization of \$116.2 Million of SBA 7(a) Unguaranteed Loan-Backed Notes Series 2022-1

August 23, 2022

BOCA RATON, Fla., Aug. 23, 2022 (GLOBE NEWSWIRE) -- [Newtek Business Services Corp.](#), (NASDAQ: NEWT), an internally managed business development company ("BDC"), today announced that it has priced its twelfth small business loan securitization, with the offering of \$116,210,000 of Unguaranteed SBA 7(a) Loan-Backed Notes, Series 2022-1, consisting of \$95,380,000 of Class A Notes and \$20,830,000 Class B Notes (collectively, the "Notes"), with preliminary ratings of "A- (sf)" and "BBB- (sf)", respectively, by S&P Global Ratings ("S&P"). The Notes have an anticipated 79.5% advance rate. The Class A Notes were priced at 280 basis points over 30-day Average Compounded SOFR, and the Class B Notes were priced at 375 basis points over 30-day Average Compounded SOFR (Note interest rates are floating rate and adjust monthly).

The Notes are collateralized by the right to receive payments and other recoveries attributable to the unguaranteed portions of SBA 7(a) loans made by Newtek Small Business Finance, LLC ("NSBF") pursuant to Section 7(a) of the Small Business Act, and overcollateralized by NSBF's participation interest in the unguaranteed portions. Deutsche Bank Securities and Capital One Securities acted as joint book running managers for the transaction.

Barry Sloane, Chairman, President and Chief Executive Officer of Newtek Business Services Corp. said, "We could not be more pleased with the reception that Newtek received on its thirteenth rated securitization, and its twelfth issuance of structured notes rated by S&P Global Ratings. This securitization received strong investor demand from 13 institutional investors, including global money managers, sovereign wealth funds and asset managers who have a trillion dollars under management, and became oversubscribed in just 48 hours of marketing. We would like to thank Deutsche Bank and Capital One Securities, which were the joint book running managers on this transaction, which is expected to close on or about September 7, 2022."

Mr. Sloane continued, "Upon the close of the securitization, we anticipate refinancing NSBF's warehouse line and monetizing loans funded by equity to create approximately \$29 million in new cash flow, not including the prefunding account in the securitization. Our SBA 7(a) loans are all floating rate issued at Prime plus 275 basis points and adjust quarterly. We believe we are appropriately match funded in both rising- and falling-rate environments, albeit with some lag and lead time in either interest-rate scenario. We would like to thank the many bond investors that have successfully invested in our rated securities, which supports our position as the second largest SBA 7(a) lender by dollar loan approval volume, including banks, and the largest non-bank SBA 7(a) lender overall."

[Newtek Business Services Corp.](#), Your Business Solutions Company®, is an internally managed BDC, which along with its controlled portfolio companies, provides a wide range of business and financial solutions under the Newtek® brand to the small- and medium-sized business ("SMB") market. Since 1999, Newtek has provided state-of-the-art, cost-efficient products and services and efficient business strategies to SMB relationships across all 50 states to help them grow their sales, control their expenses and reduce their risk.

Newtek's and its portfolio companies' products and services include: [Business Lending](#), [SBA Lending Solutions](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting\)](#), [eCommerce](#), [Accounts Receivable Financing & Inventory Financing](#), [Insurance Solutions](#), [Web Services](#), and [Payroll and Benefits Solutions](#).

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Note Regarding Forward Looking Statements

This press release contains certain forward-looking statements. Words such as "believes," "intends," "expects," "projects," "anticipates," "forecasts," "goal" and "future" or similar expressions are intended to identify forward-looking statements. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations, are contained in Newtek's filings with the Securities and Exchange Commission and available through <http://www.sec.gov>. Newtek cautions you that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected or implied in these statements.

SOURCE: Newtek Business Services Corp.

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